GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2560
ANSWERED ON:16.03.2007
MICRO FINANCE
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Will the Minister of FINANCE be pleased to state:

(a) the various types of Banks involved in micro-finance in the country.

(b) the total amount of micro credit disbursed during the last three years;

(c) the percentage of repayment; and

(d) the steps taken /assistance provided by the Government for improvement in the recovery of micro credit.

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) : Reserve Bank cf India has not prescribed any specific model for micro-finance lending by banks in 1he country. Though there are different models adopted by banks for micro-finance, the Self Help Group (SHG) - Bank Linkage Programme has emerged as the major micro-finance programme in the country. This model has been adopted for implementation by Commercial Banks,Regional Rural Banks (RRBs) and Cooperative Banks.

(b) : Under SHG Bank Linkage Programme as at March 31, 2006., over 22.38 lakh SHGs have been linked to banks involving a total credit flow of Rs. 11,397.50 crore. The cumulative bank loans under the programme for the last three years are as under:

Year	Cumulative total of SHGs financed by banks (figures in lakhs)	Cumulative amount of bank loan disbursed (Rs.in crore)
2003-04	10.79	3,904
2004-05	16.18	6,898
2005-06	22.39	11,398

(c) & jd) i The SHGfi recover loans from their members and repay to banks. The recovery rate of bank loan to SHGs is reported to be satisfactory due to peer pressure of the groups.